



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE:	CONTRACT MONITORING	POLICY 7.02
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Authority: Individuals with Disabilities Education Act, Part C and 34 CFR 303
Chapters 71A and 74.15 RCW
Chapters 388-820 and 388-825 WAC
DSHS Administrative Policy 13.11, *General Contract Monitoring*
DDD Policy 7.01, *Contract Management*

PURPOSE

This policy establishes guidelines and procedures for the monitoring of contracts within the Division of Developmental Disabilities (DDD). Contract monitoring is intended to ensure that DDD is receiving services in accordance with the provisions of the contract. It also serves the purpose of detecting potential problems before they rise to the level of major concern for either the contractor or the department.

SCOPE

This policy applies to all DDD organizational units. This policy covers client and personal services contracts, purchased services contract, and interlocal agreements, including Indian Nation or Tribal agreements.

DEFINITIONS

Client service contract means a contract for services provided directly to agency clients. Examples of client services include medical and dental services, employment and training programs, and residential services. Client services are exempt from the competitive procurement and filing requirements of Chapter 39.29 RCW.

Contract management means any activity related to the contracting out of goods or services, including contractor screening, contractor selection, preparing contracts, and contract monitoring.

Contract monitoring means any planned, ongoing or periodic activities for the purpose of reviewing, observing, testing, evaluating, documenting, providing technical assistance, reporting or ensuring contractor compliance with the terms, conditions and requirements of a contract.

This includes the examination and analysis of a contractor's performance in order to document that the outcomes and/or activities are in accordance with the contract.

Contract monitoring activities means any activity that reviews, observes, tests, evaluates, documents, provides technical assistance, reports or ensures contractor compliance with the written terms and conditions of a contract.

Contract monitoring plan means a written plan for monitoring contractor compliance with contract requirements.

Corrective action means an informal administrative process to assist or guide contractors when a problem with contract compliance is identified.

Interlocal agreement means a contract or agreement between the department and any public agency, political subdivision, or unit of local government of this state including, but not limited to, special purpose districts, local service districts; any agency of state government; any agency of the United States; any Indian Nations recognized as such by the federal government; and any political subdivision of another state. The contract may acquire goods or services or both. Interlocal Agreements are governed by Chapter 39.34 RCW, *Interlocal Cooperation Act*.

Personal service contract means a contract for services provided by a consultant to accomplish a specific study, project, task or other work statement.

Purchased service contract means a contract with a vendor for providing services or goods to accomplish routine, continuing, and necessary functions. These services include, but are not limited to, equipment maintenance and repair, janitorial services, security, computer hardware and software installation and maintenance, data entry, programming services, and translation services.

Risk assessment means the process of evaluating exposures to the chance of harm or loss that could arise from program activity, services provided to clients, and contractor actions. Risk assessment consists of: (1) Identifying the risks and their classification based on program, service, and contractor characteristics; (2) Measuring and evaluating the consequences of the risks; and (3) Prioritizing risks based on the evaluation. The purpose of risk assessment is to prioritize contract monitoring activities.

POLICY

- A. DDD will establish monitoring plans and procedures for all division contracts. Monitoring oversight will include, but not be limited to, the period of performance, the delivery of services set forth in the statement of work, any special terms and conditions, financial and reimbursement provisions.

- B. The division's contract monitoring is accomplished through a wide array of both official and unofficial monitoring activities. Only a small amount of the monitoring occurs through activities designed exclusively for the purpose of contract monitoring. Much of the division's contract monitoring occurs through the oversight of staff in the course of their routine contacts, as follows:
1. With clients and vendors;
 2. With local lead agencies (ITEIP);
 3. Technical assistance and training for contractors;
 4. Review and approval of contractor reports and data;
 5. Staff in other DSHS divisions performing functions such as licensing activities;
 6. Through the oversight of contracted evaluators; and
 7. Through the process of clients and stakeholders interacting with contractors and providing feedback to the division.
- C. Federal or state law and regulations may add compliance areas. Federal monitoring processes may also apply. The array of such contract monitoring activity is depicted in the matrix attached to this policy (see Attachment A).

PROCEDURES

A. Headquarters Responsibilities

The primary role of Headquarters' contract management staff is to support DDD staff in the contract monitoring process statewide. In so doing they will:

1. Ensure that all DDD staff who have contract monitoring responsibility are aware of and have access to monitoring training recommended by DSHS Central Contracts Services;
2. Develop a risk assessment for each unique contract or type of contract used by DDD;
3. Based on the risk assessments, develop guidelines and methodologies for the type of activities and methods that are most appropriate for monitoring each unique contract or type of contract;

4. Using the risk assessment, create monitoring plans for contracts in all DDD program areas, including:
 - a. Community Protection
 - b. County programs
 - c. Family Support
 - d. Information Technology
 - e. ITEIP
 - f. Medicaid Personal Care (MPC)
 - g. Mental Health
 - h. Residential
 - i. Residential Habilitation Centers (RHCs)
 - j. Technical Assistance
 - k. Technical Assistance and Personal Services
 - l. Voluntary Placement Program (VPP)
5. Make available needed risk assessment instruments and contract monitoring tools.

B. Regional Office Responsibilities

Designated staff will be responsible for oversight to ensure that contract monitoring occurs in the region in compliance with this policy.

C. Field Services Responsibilities

Designated staff will monitor contracts initiated in Field Services as required in the monitoring plan for each program area.

D. RHC Responsibilities

Designated staff will monitor contracts initiated in the RHC as required in the monitoring plan for each contract.

E. ITEIP Responsibilities

ITEIP contract management staff will provide monitoring and technical assistance directly to the ITEIP contractors. ITEIP will complete a risk assessment on all contracts and assure client services contractors receive formal audits.

F. Monitoring Plans

Each Central Office program manager, together with regional staff as appropriate, will

develop monitoring plans for the contracts in his/her program area. The monitoring plans will include the following:

1. A brief description of each contract, or types of contract, for the program and the services covered;
2. The results of application of the risk assessment to each contract or type of contract in the program, identifying high, medium and low risk contracts;
3. Identification of the level of monitoring activities for each contract or type of contract. The level must take into consideration both:
 - a. The staff resources available for monitoring; and
 - b. The risk level of the contract.
4. Identification of all mandatory monitoring activities such as licensing, certification reviews, case resource manager/social worker visits, and nurse oversight visits.

G. Monitoring Activities

1. Monitoring activities may include any activity that reviews, observes, evaluates or ensures the contractor's compliance with a contract. Typical monitoring activities include, but are not limited to:
 - a. Onsite inspections by licensors, program staff and/or evaluators;
 - b. Staff visits and other contacts to review client services and program compliance;
 - c. Review of contractor documentation and/or reports;
 - d. Verification of outcomes, such as reports of wages of persons employed;
 - e. Review of invoices and payment data;
 - f. Verification that services were actually provided;
 - g. Ensuring that a contractor is not double billing;
 - h. Ensuring that a contractor has not billed for unauthorized services;

- i. Reviewing the contractor's internal controls and ability to track funding sources;
 - j. Client reports regarding the quality of services received;
 - k. Ensuring compliance with federal and state laws and WACs;
 - l. Conducting formal program and fiscal audits;
 - m. Providing technical assistance and training; and
 - n. Reviewing and approving contractor reports.
2. All staff who have fiscal responsibilities must:
- a. Review the A-19 for accuracy and appropriate signatures;
 - b. Ensure the request for reimbursement is in accordance with the contracted statement of work and terms and conditions of the contract;
 - c. Ensure reimbursement does not exceed the contracted maximum consideration;
 - d. Verify that appropriate internal control procedures are in place; and
 - e. Follow DDD Policy 6.01, *Social Service Payment System*, when making SSPS payments.

H. Monitoring Methods

The federal government recommends the following four (4) methods in its best practices for performance based contracting:

1. 100% Inspection

This method is appropriate where there are stringent contract requirements, such as those involving client health or safety. For example, licensing inspections are subject to 100% monitoring.

2. Random Sampling

This method is most appropriate for recurring tasks. Services are sampled to

determine if the level of performance is acceptable.

3. Periodic Inspection or Planned Sampling

This method is appropriate when 100% inspection is not required or practical. A predetermined plan for inspecting part of the work is established using analysis or agency resources to decide what work to inspect and how frequently to do it.

4. Customer Input

This method may be used to supplement other methods. It includes activities such as customer surveys, the investigation of customer complaints, and feedback solicited by or given to staff regarding service provision.

I. Records

Any staff concern regarding provider performance will be documented in the monitoring section of the Agency Contracts Database (ACD).

SUPERSESSION

None

Approved: /s/ Linda Rolfe
Director, Division of Developmental Disabilities

Date: 8/11/03

PROGRAM	TYPE OF MONITORING	FREQUENCY	PERSON(S) RESPONSIBLE
Residential Attendant Care Companion Homes Individual AL	Formal program evaluation	At least every 2 years	Evaluator Program Manager
Technical Assistance	<ul style="list-style-type: none"> Review invoices and reports Review billings Meet with contractor to review program Reports from event attendees 	Quarterly Monthly Annually As scheduled	Program Manager
Family Support	<ul style="list-style-type: none"> ❖ Review invoices ❖ Review billings ❖ Contractor reports (Endeavor) 	❖ Quarterly	❖ Program Managers, FSO Supervisors
Voluntary Placement Program	<ul style="list-style-type: none"> ❖ Foster parent contracts ❖ Licensed Staffed Residential ❖ Child Placing Agency ❖ Residential Supportive Living 	<ul style="list-style-type: none"> ❖ 90 day visits ❖ 90 day visits ❖ Every two years ❖ Every two years 	<ul style="list-style-type: none"> ❖ Social worker or resource developer ❖ Social worker or resource developer ❖ Residential Evaluators ❖ Residential Evaluators
Mental Health A. <u>Diversion Beds</u>	A1) Monitor and report number of bed days used and number of clients served by month to MH Program Manager A2) For DDCRPs providing the service, see residential evaluations. A3) Meet with vendor to review	A1) Monthly A2) At least every 2 years. A3) Annually	A1) Region reports to MH Program Manager who reports to cross system committee and court monitors A2) MH Program Manager and Residential Program Manager A3) Region MH CRM and other staff as needed
B. <u>Crisis Contracts</u>	B1) Monitor and report number of service hours provided by contractor and number of clients served each month	B1) Monthly	B1) Region reports to MH Program Manager who reports to cross system committee and court monitors

C. <u>Psychiatric Services</u>	B2) Meet with vendor to review program	B2) Annually	B2) Region MH CRM and other regional staff as needed
	C1) Monitor and report number of service hours provided by contractor and number of clients served each month to the MH Program Manager. C2) Meet with vendor to review program	C1) Monthly C2) Annually	C1) Region reports to MH Program Manager who reports to cross system committee and court monitors C2) Region MH Case Manager and other regional staff as needed
ITEIP A. <u>Early Intervention Services</u>	A1) Formal program and fiscal audit A2) Complete risk assessment A3) Monitor and approve written reports A4) Monitor and approve data entry on the ITEIP Data Management System A5) Technical assistance and review during site visits A6) Technical assistance and information exchange A7) Technical assistance and training	A1) All contracts on a 4 year cycle A2) Annually A3) Biannual A4) Monthly A5) Quarterly A6) Ongoing A7) As requested	A1) Contract with DSHS Operations Review and Consultation A2) SHPM2, Program Coordinator, and Program Director A3) SHPM2, Program Coordinator, and Program Director A4) SHPM2, Program Coordinator and Program Director A5) SHPM2, Program Coordinator, and Program Director A6) All ITEIP staff, as appropriate to their positions and assigned duties A7) All ITEIP program staff
B. <u>County Interagency Coordinating Councils</u>	B1) Complete Risk Assessment	B1) Annually	B1) SHPM2, Program Coordinator, and Program Director

	B2) Monitor and approve written reports	B2) Biannually	B2) SHPM2, Program Coordinator, and Program Director
	B3) Technical assistance during site visit	B3) Quarterly	B3) SHPM2, Program Coordinator, and Program Director
	B4) Technical assistance and training	B4) As requested	B4) All ITEIP program staff
C. <u>Other Statewide Contracts</u>			
• Autism Outreach Project	Monitor and approve written reports	Biannually	SHPM2
	Report at State Interagency Coordinating Council (SICC) meetings	Quarterly	SHPM2
• WA. Sensory Disabilities	Monitor and approve written reports	Biannually	SHPM2
	Report at SICC	Quarterly	SHPM2
• Parent Participation Coordinator	Monitor and approve written reports	Quarterly	Program Coordinator
• FRC Training	Monitor and approve written reports	3 times/year	SHPM2
	Review training evaluations	3 times/year	SHPM2
• Central Directory/Public Awareness	Monitor and approve written reports	Monthly	SHPM2
• Mediation Services and Training	Monitor and approve written reports	Quarterly	Program Coordinator
	Review training evaluations	Quarterly	Program Coordinator

<ul style="list-style-type: none"> • Data System Planning, Training and Analysis 	Weekly reports to the Program Director	Daily work with field and policy staff	ITEIP Data Manager and Applications Manager
Information Technology	<p>Review and approval of contractor documentation and/or reports, including status reports, project plans and project deliverables</p> <p>Review billings and cross-check with project plan as necessary</p> <p>Review of change control documents</p> <p>Regular meetings with contractor to discuss status and issues</p>	<p>As scheduled</p> <p>Monthly</p> <p>As needed</p> <p>At least monthly</p>	Project Manager